

Message Text

CONFIDENTIAL

PAGE 01 OECD P 00410 01 OF 02 071803Z

42

ACTION EB-07

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C O N F I D E N T I A L SECTION 1 OF 2 OECD PARIS 0410

EXCON

E.O. 11652: XGDS1

TAGS: ESTC, COCOM

SUBJECT: COCOM LIST REVIEW: THE FOURTH ROUND

REF: A. OECD PARIS 31313; STATE 289944; C. OECD
PARIS 33572

SUMMARY. THE 1974 LIST REVIEW, WHICH BEGAN IN OCTOBER, 1974, ENDED STORMILY AND IN PART INCONCLUSIVELY WITH THE CLOSE OF ROUND FOUR ON DECEMBER 12, 1975. OF 38 ITEMS DISCUSSED, AGREEMENT WAS REACH ON 34, SUBJECT IN SOME CASES TO RESERVE OR CONFIRMATION. AGREEMENT WAS IMPOSSIBLE ON FOUR ITEMS, INCLUDING SEMICONDUCTOR MANUFACUTRING EQUIPMENT. THESE FOUR (AND POSSIBLY OTHERS) MAY BE DISCUSSED FURTHER THIS YEAR IN THE DEF-NITION SERIES. LATE PROPOSALS BY THE UNITED STATES CONTRIBUTED SIGNIFICANTLY TO LACK OF AGREEMENT. US EXPERTS PROVIDED INDISPENSABLE SUPOORT BUT THEIR AB-SENCE IN SOME INSTANCES ALSO ADDED TO USDEL'S DIFFIC-ULTIES. USDEL CONSIDERS IT UNLIKELY OTHER MEMBERS WILL CONSENT TO ANOTHER LIST REVIEW WITHOUT RADICAL CHANGE IN RULES.

ACTION REQUESTED: SEND INSTRUCTIONS TO TIE UP LOOSE ENDS OF LIST REVIEW, AND PREPARE FOR DEF SERIES DIS-CUSSIONS--FOR DETAILS SEE REF C. END SUMMARY.

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PAGE 02 OECD P 00410 01 OF 02 071803Z

1. A STORMY FOURTH ROUND ENDED THE 1974 LIST REVIEW

WITH AGREEMENT IN SUBSTANCE ON NEW DEFINITIONS OF 34 OF THE 38 ITEMS DISCUSSED DURING THAT ROUND. SUCH COMPLEX ITEMS AS IL 1564 (INTEGRATED CIRCUITS) AND 1572 (RECORDING EQUIPMENT) WERE AMONG THOSE OF WHICH REDEFINITION WAS ACHIEVED IN THE FOUR-WEEK SESSION, ALTHOUGH AGREEMENT WAS REACHED ON THE FORMER ONLY AFTER TWO TENSE AND DIFFICULT SESSIONS AND FOLLOWING A MAJOR REVISION BY THE UNITED STATES OF ITS PROPOSAL. ON TWO ITEMS--IL 1544 (DIODES) AND 1545 (TRANSISTORS)--THE COMMITTEE LIMPED, AFTER HEATED DEBATE, TO PARTIAL CONCLUSIONS WHICH LEFT SOME PROBLEMS UNSOLVED. ON IL 1091 (MACHINES TOOLS,) FRANCE HAS CONDITIONED THE LIFTING OF ITS GENERAL RESERVE ON ACCEPTANCE OF A ONE-YEAR VALIDITY NOTE; THE UK COUNTERED BY PROPOSING A 2-YEAR NOTE AND US DEL AGREED AD REF. SO FINAL AGREEMENT ON THE ITEM AWAITS RESOLUTION OF THIS IMPASSE, WHICH MAY BE TEMPORARY. OF THE OTHER 31 AGREED ITEMS, SOME AGREEMENTS ARE SUBJECT TO CONFIRMATION OR MINOR RESERVES.

2. THE 4 ITEMS ON WHICH AGREEMENT WAS NOT POSSIBLE, AND ON WHICH THE EXISTING DEFINITIONS WILL THEREFORE REMAIN IN FORCE, WERE IL'S 1355 (SEMICONDUCTOR MANUFACTURING EQUIPMENT), 1362 (VIBRATION TEST EQUIPMENT), 1460 (AIRCRAFT), AND ML-20 (SUPERCONDUCTIVE MATERIALS). SOME OR ALL OF THESE, HOWEVER, WILL PROBABLY BE THE SUBJECT OF FURTHER PROPOSALS IN THE DEFINITION SERIES THIS YEAR. THE SAME MAY BE TRUE OF IL 1091 IF THE FRENCH INSIST ON A ONE-YEAR NOTE, AND OF IL'S 1544 AND 1545.

3. AFTER ROUND THREE, IN WHICH THE US WAS WITHOUT A POSITION ON MANY ITEMS AND RENEGED ON SOME OF ITS PRIOR AGREEMENTS, THE EXPECTANT GAZE OF OTHER MEMBERS WAS NATURALLY FIXED ON US. HENCE ROUND FOUR BEGAN ALL THE MORE INAUSPICIOUSLY WHEN USDEL HAD TO INFORM THEM BILATERALLY, UNDER INSTRUCTIONS, THAT WE WERE NOT PREPARED TO DISCUSS IL 1460 (AIRCRAFT, SCHEDULED FOR THE OPENING SESSION) IN THE LIST REVIEW AND WOULD SUBMIT A COMPLETELY REVISED DEFINITION IN DEF SERIES. OUR BILATERAL EXPLANATIONS DID NOT DETER UK FROM TAKING MAXIMUM TACTICAL ADVANTAGE OF THE SITUATION BY FORCING CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 00410 01 OF 02 071803Z

US TO PUT OUR EXPLANATIONS ON THE RECORD AND THEN TO OBJECT TO UK PROPOSAL. PERMANENT UK DEL HAD WARNED THAT HIS LONDON TEAM WOULD BE "BLOODY-MINDED", AND THEY WERE.

4. SUBSEQUENT US ACTIONS ALSO PLAYED INTO BRITISH HANDS, EXASPERATED ALL MEMBERS OF THE COMMITTEE AND RENDERED AGREEMENT DIFFICULT. HAVING FORMALLY AGREED TO SUBMIT

NEW PROPOSALS BY OCTOBER 27, THE US SUBMITTED TEN SUCH PROPOSALS WELL AFTER THAT DATE, AND IN MOST CASES SO CLOSE TO SCHEDULED DISCUSSION DATE THAT THERE WAS INSUFFICIENT TIME FOR OTHER DELS TO GIVE THEM ADEQUATE STUDY. THE DIFFICULTY WAS COMPOUNDED BY LACK OF NEGOTIATING FLEXIBILITY IN INSTRUCTIONS TO USDEL, AND BY REPUDIATION OF AGREEMENTS PREVIOUSLY GIVEN, FOLLOWING THE UNHAPPY EXAMPLE SET IN ROUND THREE WITH RESPECT TO IL 1564 (INTEGRATED CIRCUITS). THESE PROBLEMS WERE BROUGHT TO WASHINGTON'S ATTENTION IN OUR REF A MIDWAY IN THE ROUND, AND THE DELEGATION WAS GRATIFIED BY ASSISTANT SECRETARY ENDERS' RESPONSE IN REF B AND BY SUBSEQUENT INSTRUCTIONS.

5. EVEN SO, THE SECOND DISCUSSION OF IL 1564 ON DECEMBER 12 WAS MARKED BY COMPLAINTS FROM OTHER DELS OVER US DEL'S INABILITY TO MAKE EVEN MINOR CONCESSIONS TO THEIR DESIRES, SINCE OUR INSTRUCTIONS LEFT NO ROOM FOR MANEUVER AND PRINCIPAL US EXPERTS ON THE ITEM HAD LEFT. (DR. FINKLER'S PRESENCE, HOWEVER, WAS OF IMMENSE HELP, AND WITHOUT IT WE MIGHT NOT HAVE GOTTEN AGREEMENT.) AS OBSERVED IN OECD PARIS 32714, AGREEMENT WAS REACHED

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PAGE 01 OECD P 00410 02 OF 02 071801Z

42

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C O N F I D E N T I A L SECTION 2 OF 2 OECD PARIS 0410

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"AT A PRICE OF ALMOST SHOVING THE FORMULATION DOWN THE THROATS OF THE COMMITTEE."

6. ON ONE ITEM FINAL AGREEMENT ELUDED THE COMMITTEE

BECAUSE OF A DIVERGENCE OF VIEWS BETWEEN THE FRENCH AND THE REST OF THE COMMITTEE. IL 1362 (VIBRATION TEST EQUIPMENT) FOUNDERED ON FRENCH INSISTENCE THAT MODAL SURVEY SYSTEMS OF LESS THAN 2000 POUNDS' THRUST SHOULD BE EXCLUDED FROM COVERAGE IN THE US COUNTERPROPOSAL, WHICH HAD WON THE AGREEMENT OF OTHER DELEGATIONS. A SIMILAR OBSERVATION COULD APPLY TO IL 1091 (SEE PARAGRAPH 1 ABOVE), WHERE THE FRENCH DESIRE TO LIMIT THE VALIDITY OF THE NEW DEFINITION TO ONE YEAR STEMS FROM FRANCE'S VIEW THAT HYDRAULIC EQUIPMENT SHOULD NOT BE COVERED. AMONG ITEMS WHERE AGREEMENT WAS REACHED, MENTION SHOULD BE MADE OF THE DIFFICULTY OF ACCOMMODATING THE DUTCH DESIRE FOR EXCLUSION (PARTICULARLY UNDER IL'S 1545 AND 1564) OF THE DEVICES USED IN LARGE QUANTITIES FOR CONSUMER PRODUCTS. THIS CONFLICT WAS LEFT LARGELY UNSOLVED.

7. THROUGHOUT THIS EXERCISE, US EXPERTS PLAYED AN INDISPENSABLE ROLE IN JUSTIFYING AND EXPLAINING US POSITIONS. IN GENERAL THEY WERE SENSITIVE TO OTHER DELS' VIEWS AND TO THE COMMITTEE'S PROCEDURAL REQUIREMENTS. THEIR EFFORTS ON IL 1564 CAN BE
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PAGE 02 OECD P 00410 02 OF 02 071801Z

DESCRIBED AS HEROIC. CONVERSELY, THEIR UNAVAILABILITY IN SEVERAL INSTANCES (SUCH AS WHEN ITEMS CAME UP FOR SECOND DISCUSSION) ADDED GREATLY TO US DEL'S DIFFICULTIES. WASHINGTON TEAM AS A WHOLE GAVE ONCE AGAIN AN EXTREMELY EFFECTIVE AND VALUABLE PERFORMANCE.

8. IN ASSESSING RESULTS OF THIS LIST REVIEW, WASHINGTON AGENCIES MAY WISH TO PONDER THE QUESTION ASKED, INITIALLY, OFF THE RECORD, AND LATER REPEATED ON THE RECORD BY NETHERLANDS DEL. AT A MOMENT WHEN US DEL, WITHOUT EXPERTS, WAS ATTEMPTING LAMELY TO JUSTIFY A LATE PROPOSAL, ITS REPUDIATION OF PREVIOUS AGREEMENTS, AND ITS REJECTION OF OTHER DELS' PREVIOUSLY RECORDED VIEWS, THE DUTCHMAN ASKED, WITH EMPHASIS AND HEAD, "DOES THE UNITED STATES REALIZE THAT THE EXISTENCE OF COCOM ITSELF IS AT STAKE?"

9. IT IS IRONIC THAT THIS QUESTION, WITH ITS IMPLIED ACCUSATION, WAS ADDRESSED TO THE UNITED STATES, WHICH NOT ONLY WAS A FOUNDING MEMBER OF COCOM BUT HAS ALWAYS CLAIMED TO BE THE MOST FAITHFUL ADHERENT TO ITS PRINCIPLES. NEVERTHELESS, THE QUESTION SHOULD BE VERY CAREFULLY WEIGHED. IT IS DIFFICULT TO SEE HOW COCOM COULD SURVIVE ANOTHER LIST REVIEW LIKE THIS ONE. FOR THAT VERY REASON IT IS

QUESTIONABLE WHETHER THERE CAN EVER BE ANOTHER CONDUCTED UNDER THE SAME RULES AS HERETOFORE. OTHER MEMBERS WILL NOT AGAIN SUBJECT THEMSELVES TO THE DELAYS, FRUSTRATIONS, AND COUNTERMARCHES THAT MARKED THIS REVIEW. IN ALL LIKELIHOOD THEY WILL ADOPT THE POSITION THAT ONLY AFTER ALL PROPOSALS ON ALL ITEMS ARE LAID ON THE TABLE CAN THE COMMITTEE DECIDE WHETHER ANOTHER LIST REVIEW WOULD BE FEASIBLE; OR SOME SIMILAR POSITION THAT WILL COMMIT THE US FIRMLY IN ADVANCE. WHETHER THE US COULD AGREE TO SUCH A PROCEDURE IS A SEPARATE QUESTION BUT ONE THAT ALSO BEARS ON THE FUTURE OF COCOM.

10. SUCH CONSIDERATIONS SHOULD BE KEPT IN MIND IN COMING MONTHS. NEEDED NOW ARE (A) ACTION TO CLEAR CONFIDENTIAL

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PAGE 03 OECD P 00410 02 OF 02 071801Z

UP LOOSE ENDS LEFT OVER FROM ROUND FOUR, AND (B) PREPARATION FOR DISCUSSIONS OF UNRESOLVED ITEMS IN DEF SERIES. OUR REF C GIVES DETAILS. IL 1091 IS ON THE AGENDA OF JANUARY 13 AND DEF NEEDS INSTRUCTIONS ON IT BY THEN. ALTHOUGH NO ACTION IS IMMEDIATELY DUE BY US ON IL'S 1355, 1362, 1460, AND ML-20, EDAC AGENCIES MAY WISH TO BEGIN CONSIDERING ISSUES RELATED TO THEM FOR POSSIBLE ACTION IN THE DEF SERIES.

11. ACTION REQUESTED: AS IN PARAGRAPH 10. THE BEST EARNEST OF CONTINUED U.S. BELIEF IN THE NEED FOR COCOM AT THIS MOMENT WILL BE PROMPT, RESPONSIVE ACTION IN THE DEF SERIES.
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